

MILFORD & DORMOR FINANCIAL PLANNING

Fees and Services

October 2019

PRELIMINARY MEETING

Milford & Dormor Financial Planning offers a **30-minute preliminary meeting** with an Adviser **free of charge** to discuss your situation and needs. This meeting will typically take place **at our offices, or by telephone or videoconferencing**. During this meeting the Adviser will explain whether we can help you, and if so, outline our suggested approach. This will then be sent to you in writing.

If as a result of this meeting you decide you would like to engage Milford & Dormor Financial Planning for our services, we will initiate our procedures to adopt you as a client. You will receive a proposal letter setting out the proposed scope and our fees for your approval. Once accepted, **Initial Fees as detailed below will then apply.**

If you decide not to proceed following the preliminary meeting, there will be **no charge**. Milford & Dormor Financial Planning will only retain your data for as long as required by law, after which it will be removed from our systems.

INITIAL FEES

Milford & Dormor Financial Planning charges a minimum one-off New Client Fee of £1,500

The New Client Fee covers the cost of building a detailed file to understand your personal and financial circumstances, including fact-finding interviews, risk profiling, objective setting and complying with regulatory requirements such as anti-money laundering (AML).

Routine activities, such as the **investment of cash** or **specific advice to set up new structures** (for example in relation to Individual Savings Accounts (ISA), General Investment Accounts (GIA), Bonds or Pension Schemes) will be **included in the New Client Fee**.

Additional activities, for example **analysis and potential transfer of existing (“legacy”) products you may hold such as investments or pensions, issues relating to annual or lifetime pension allowances or other structured products** will be **charged separately on an individual product basis**. Our fee for handling legacy products is **£500 per product**.

Only **one New Client Fee** will be applied **per family group**, defined as partners and dependent children still in full-time education. **Trusts** will be included within the family group for new client fee purposes but will incur separate product handling.

Initial Fees are **not subject to VAT**.

Examples:

- 1) The Initial Fee for a new client looking to invest a £500,000 cash inheritance in a portfolio with an agreed risk profile will be £1,500.*
- 2) The Initial Fee for a new client looking to invest the above inheritance, plus the restructuring and reinvestment of an existing equity portfolio and three legacy pensions, would be £3,500 (£1,500 New Client Fee plus £2,000).*
- 3) The Initial Fee for a couple looking to invest the above inheritance, where one party is also looking to transfer and consolidate two legacy pensions, would be £2,500 (a single £1,500 New Client Fee plus £1,000).*

ONGOING FEES

Our Ongoing Fees will be set depending on the amount you invest with us:

	<i>Amount Invested</i>	Discretionary Fund Management (DFM) <i>Subject to VAT</i>	Advisory Investment Services (AIS) <i>Nil VAT</i>
Annual Fees	<i>Up to £500,000</i>	1.00% of the amount invested, subject to a minimum of £1,000	1.00% of the amount invested, subject to a minimum of £1,000
	<i>£500,000 and above</i>	0.75% of the amount invested	

The fee you pay will be **calculated by applying this percentage to the valuation of your investments.**

Ongoing Fee percentages will normally be **reviewed on an annual basis**, as part of your investment review process. For Discretionary clients with a **1% fee** the following applies:

- *If the value of your investments under our agency at annual review has **exceeded the £500,000 threshold**, your Ongoing Fee will be **reduced** to 0.75%.*
- *If the valuation of your investments under our agency at annual review is **between £475,000 and £500,000**, we will **conduct a review** of your investment valuations over the past **6 months**. If at any time in this period your valuation has exceeded £500,000, your Ongoing Fee will be **reduced** to 0.75%.*
- *If the valuation of your investments **exceeds the £500,000 threshold as a result of additional investment of funds amounting to 10% or more of the previous valuation**, your Ongoing Fee will **immediately be reduced** to 0.75%.*

ONGOING FEES (cont.)

Once your Ongoing Fee has been set at 0.75%, we will **never attempt to increase it** if the value of your portfolio subsequently **falls below £500,000 as a result of market movements**. Your Ongoing Fee percentage will only ever increase in one of two circumstances:

1. *As a result of our company fees review process, which may result in changes to either the fees, or the bandings, in the table above.*
2. *If you make a **withdrawal of funds that has reduced the valuation of your investments below £450,000** at the time of your Review Meeting.*

You will always be **notified in writing** of any proposed increases to your fees.

Ongoing Fees are **calculated based on the investment valuation of the family group**, defined as partners and dependent children still in full-time education. For example, for a couple where each party invests £300,000, the Ongoing Fee for both will be set at 0.75%.

Milford & Dormor Financial Planning will always provide a high level of responsive, personalised service for all clients. Ongoing Fees include a **minimum of one Review Meeting each year** where the suitability of your investments will be assessed against any changes in circumstances or attitude to risk. For clients with **greater than £500,000** subject to our advice we also make a **specific Service Commitment**, the details of which can be found [here](#).

Review meetings with an Adviser requested by clients **outside the normal review cycle** will be charged at a flat rate fee of **£250 (nil VAT for Advisory clients only)**.

For **Advisory** clients, full written recommendations for **portfolio rebalancing will be provided on request outside the normal review cycle** for a flat rate fee of **£250 (nil VAT)**.

MILFORD & DORMOR FINANCIAL PLANNING FEES AND SERVICES

SPECIFIC FEES

Product	Fee	Examples
Specialist Higher Risk Investment for Tax Planning* <i>For example Enterprise Investment Schemes (EIS), Venture Capital Trusts (VCT), Business Relief for Inheritance Tax (IHT) mitigation</i>	2% Initial Fee plus 0.5% Ongoing Annual Fee OR 3.5% Initial Fee if the Provider is unable to facilitate an Ongoing Fee , subject to a minimum Initial Fee of £500 and a maximum of £2,000, per product	<p>Where the Provider can facilitate an Ongoing Fee:</p> <ol style="list-style-type: none"> 1. A client looking to invest £20,000 in an EIS would incur an Initial Fee of £500 (minimum fee applies because 2% of £20,000 = £400) plus an Ongoing Annual Fee of £100 2. A client looking to invest £50,000 in a VCT would incur an Initial Fee of £1,000 (2%) plus an Ongoing Annual Fee of £250 <p>Where the Provider cannot facilitate an Ongoing Fee:</p> <ol style="list-style-type: none"> 1. A client looking to invest £20,000 in an EIS would incur an Initial Fee of £700 (3.5%) only 2. A client looking to invest £70,000 in a VCT would incur the maximum Initial Fee of £2,000 only
Pure Protection Insurance* <i>For example Life Assurance, Critical illness or Income Protection</i>	Commission (non-indemnity) and/or fixed price project fee as agreed in advance with you	
Dealing Fees	A flat fee of £25 per trade for Advisory clients only We do not charge Dealing Fees for our Discretionary clients	<i>For an Advisory client only, the sale of an equity share of any value and reinvestment of the proceeds would incur Dealing Fees of £50 (£25 for each of the sale and reinvestment)</i>
Investment of additional cash (by an existing client into an existing product)	1% of the funds invested, up to a maximum of £1,000	<ol style="list-style-type: none"> 1. An existing client looking to invest an additional £20,000 (not previously under Milford & Dormor Financial Planning's management) in an existing ISA would incur a fee of £200 2. An existing client looking to invest an inheritance of £500,000 would incur a fee of £1,000 (maximum fee applies)
Care Fees Planning*	£1,500 (nil VAT) flat fee	<i>Comprehensive fact-finding to fully understand your circumstances and provide advice on how best to meet the costs of care, including a care fees plan, quotation and investment options. The implementation of any agreed options is included within this fee.</i>

*For new clients, Specific Fees marked * are charged in addition to the New Client Fee.*

MORTGAGE ADVICE

Milford & Dormor Financial Planning offers mortgage arrangement services through our third-party partnership with **Exe Mortgages**, based in Ottery St Mary.

To facilitate the process, Milford & Dormor Financial Planning will conduct a 1-hour preparatory meeting to fully understand your circumstances and requirements. The information from this meeting will be collated into a file and passed to Exe Mortgages, once GDPR consent to share your data has been obtained.

We charge a single fixed fee of £250 for this service (Nil VAT).

For a new client requiring mortgage services, this fee will be **included** in the New Client Fee of £1,500.

For more details about Exe Mortgages and their services, please visit www.exemortgages.co.uk

TAX RETURN SERVICES

Milford & Dormor Financial Planning offers a Tax Return completion service through our third-party partnership with **Griffin Chartered Accountants**, based in Exeter and Honiton.

For a Basic Tax Return, we charge a single fixed fee of £450+VAT for this service.

This fee includes a 1-hour preparatory meeting to gather all necessary information to complete your tax return. This information is then packaged by us and passed on to Griffin for processing, once GDPR consent to share your data has been obtained.

The Basic Tax Return service includes the following Income Streams: *Pensions (State and/or Private); Employment; Benefits in kind from employment; Investments (including dividends, interest and capital gains); Gift Aid donations.*

Other Income Streams incur an additional charge to the Basic service, laid out in the table below:

Income Stream	Criteria	Additional Charge
Self Employment	<i>Turnover <£30,000</i>	£50+VAT
Self Employment	<i>Turnover >£30,000</i>	£100+VAT
Rental properties and/or Holiday Lets	<i><5 Properties</i>	£50+VAT
Rental properties and/or Holiday Lets	<i>5 or more Properties</i>	£100+VAT
Enterprise Investment Schemes	<i><5 Investments</i>	£50+VAT
Enterprise Investment Schemes	<i>5 or more Investments</i>	£100+VAT

For example, the completion of a tax return for a client with 6 properties and 2 EIS would cost **£600+VAT** : £450 (Basic Fee) + £100 (Properties) + £50 (EIS) + VAT.

For new clients, Tax Return Services will be charged **in addition** to the New Client Fee of £1,500.

For more details about Griffin and their services, please visit www.griffinaccountancy.co.uk

CONSULTANCY FEES

Where advice is sought with respect to **strategic financial planning or financial products not under our management** (for example a portfolio managed by you or a third party), **we may agree to work on your behalf on either a fixed project fee or time-cost consultancy basis**. Any such consultancy fees will be set out in a proposal letter for you to approve in advance. Where we agree a time-cost basis, we will provide an estimate of the time required to complete the work.

Consultancy fees will be invoiced on completion. Our hourly rates are as follows:

Activity	Hourly Fees
<i>Financial Planner</i>	£250+VAT
<i>Analysis & Research</i>	£175+VAT
<i>Client Services & Administration</i>	£75+VAT

For example, a typical consultancy advice case with respect to financial planning on divorce can cost in the region of £2,500 + VAT on a time-cost basis.

SERVICE COMMITMENT

Milford & Dormor Financial Planning commits to the following level of service for clients with greater than £500,000 invested:

Service Area	Service Commitment
A dedicated, named Adviser	Included
Review Meetings	At your discretion, up to two non-chargeable Adviser meetings per year
Review Meeting - Preparation	Call from a Client Manager between 2 and 3 weeks beforehand to set the agenda
Review Meeting - Output	Comprehensive Meeting Notes, Decisions and Actions
Ad hoc questions - an initial response will be provided within	1 Working Day
If ad hoc Adviser contact is required, a phone call will be scheduled to take place within the next	2 Working Days
Ad hoc portfolio valuations where information is unavailable on the Personal Finance Portal will be provided within	5 Working Days, subject to delivery of the relevant information from product providers
Portfolio Rebalancing	For Discretionary Clients conducted Quarterly or as required in response to major market events For Advisory Clients conducted as agreed following each Review Meeting
Administrative services (e.g. address changes with Providers) will be initiated within	5 Working Days
Client Manager Personal Finance Portal training	Delivered either online or face-to-face at a location of your choice
Option to receive a quarterly courtesy call from a Client Manager	Included
Communication method	The option to choose communication by post (our default communication method is online, either via encrypted email or the Personal Finance Portal)
Cash flow modelling	Included and updated annually
Direct liaison with clients' other professionals	Included - for example with your solicitor for updating Wills or Trusts, or with your Accountant for preparation of your annual tax pack
Auto-filling of ISAs from tax-exposed portfolios (GIAs)	Included for Discretionary clients